

HOUSE BILL 1126

A1

2lr2385
CF SB 579

By: **Delegates Schulz, Hogan, and Stifler**

Introduced and read first time: February 10, 2012

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Alcoholic Beverages – Farm Brewery Manufacturer’s License**

3 FOR the purpose of creating a Class 8 farm brewery manufacturer’s license; specifying
4 a certain annual fee for the license; authorizing a licensee to sell and deliver
5 beer manufactured in a facility on the licensed farm or in another facility to
6 certain persons; requiring that the beer be manufactured in a certain manner;
7 requiring that a farm brewery be located only at the place stated on the license;
8 providing that a licensee may exercise the privileges of the license,
9 notwithstanding local law; specifying the privileges that may be exercised by a
10 licensee, including providing samples of beer, selling certain foods, storing beer,
11 brewing beer, bottling beer, or contracting for a certain number of barrels of
12 beer each calendar year; specifying the times during which a licensee may
13 exercise the privileges of the license; specifying the days of operation for a
14 licensee; specifying that certain provisions of law apply to a licensee;
15 authorizing a licensee to sponsor a certain multibrewery activity at the licensed
16 farm under certain conditions; specifying the privileges that a licensee may
17 exercise at a multibrewery activity and the times that the activity may be held;
18 authorizing the Office of the Comptroller to issue a special brewery promotional
19 event permit to a licensee under certain conditions; specifying the privileges
20 that may be exercised by the licensee at the special brewery promotional event;
21 requiring that the beer at the special brewery promotional event be sold by the
22 glass and for consumption on the premises only; and generally relating to Class
23 8 farm brewery licenses.

24 BY repealing and reenacting, with amendments,
25 Article 2B – Alcoholic Beverages
26 Section 2–201(a)
27 Annotated Code of Maryland
28 (2011 Replacement Volume)

29 BY adding to

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 Article 2B – Alcoholic Beverages
 2 Section 2–209
 3 Annotated Code of Maryland
 4 (2011 Replacement Volume)

5 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
 6 MARYLAND, That the Laws of Maryland read as follows:

7 **Article 2B – Alcoholic Beverages**

8 2–201.

9 (a) The annual fees for manufacturer’s licenses are as follows:

10	Class 1	Distillery	\$ 2,000
11	Class 2	Rectifying	600
12	Class 3	Winery	750
13	Class 4	Limited Winery	200
14	Class 5	Brewery	1,500
15	Class 6	Pub–Brewery	500
16	Class 7	Micro–Brewery	500
17	CLASS 8	FARM BREWERY	200

18 **2–209.**

19 **(A) (1) THERE IS A CLASS 8 FARM BREWERY LICENSE.**

20 **(2) SUBJECT TO PARAGRAPH (3) OF THIS SUBSECTION, A CLASS 8**
 21 **FARM BREWERY LICENSE ALLOWS THE LICENSEE TO SELL AND DELIVER BEER**
 22 **MANUFACTURED IN A FACILITY ON THE LICENSED FARM OR IN A FACILITY**
 23 **OTHER THAN ONE ON THE LICENSED FARM TO:**

24 **(I) A WHOLESALER LICENSED TO SELL AND DELIVER BEER**
 25 **IN THE STATE; OR**

26 **(II) A PERSON IN ANOTHER STATE AUTHORIZED TO**
 27 **ACQUIRE BEER.**

28 **(3) THE BEER TO BE SOLD AND DELIVERED UNDER PARAGRAPH**
 29 **(2) OF THIS SUBSECTION SHALL BE MANUFACTURED WITH AN INGREDIENT**
 30 **MOSTLY FROM AN AGRICULTURAL PRODUCT, INCLUDING HOPS, GRAIN, AND**
 31 **FRUIT, PRODUCED ON THE LICENSED FARM.**

32 **(4) A CLASS 8 FARM BREWERY MAY BE LOCATED ONLY AT THE**
 33 **PLACE STATED ON THE LICENSE.**

1 **(5) NOTWITHSTANDING ANY LOCAL LAW, A LICENSEE MAY**
2 **EXERCISE THE PRIVILEGES OF A CLASS 8 FARM BREWERY LICENSE.**

3 **(6) A LICENSEE MAY:**

4 **(I) SELL BEER PRODUCED BY THE LICENSEE FOR**
5 **CONSUMPTION ON THE LICENSED FARM;**

6 **(II) IN AN AMOUNT NOT EXCEEDING 6 FLUID OUNCES PER**
7 **BRAND, PROVIDE SAMPLES OF BEER THAT THE LICENSEE PRODUCES TO A**
8 **CONSUMER:**

9 1. **AT NO CHARGE; OR**

10 2. **FOR A FEE; AND**

11 **(III) SELL OR SERVE:**

12 1. **BREAD AND OTHER BAKED GOODS;**

13 2. **CHILI;**

14 3. **CHOCOLATE;**

15 4. **CRACKERS;**

16 5. **CURED MEAT;**

17 6. **FRUITS (WHOLE AND CUT);**

18 7. **SALADS AND VEGETABLES (WHOLE AND CUT);**

19 8. **HARD AND SOFT CHEESE (WHOLE AND CUT);**

20 9. **ICE CREAM;**

21 10. **JELLY;**

22 11. **JAM;**

23 12. **VINEGAR;**

- 1 **13. PIZZA;**
- 2 **14. PREPACKAGED SANDWICHES AND OTHER**
3 **PREPACKAGED FOODS READY TO BE EATEN;**
- 4 **15. SOUP; AND**
- 5 **16. CONDIMENTS.**

6 **(7) SUBJECT TO SUBSECTIONS (D) AND (E) OF THIS SECTION, A**
7 **LICENSEE MAY EXERCISE THE PRIVILEGES OF THE LICENSE EACH DAY DURING**
8 **THE FOLLOWING TIMES:**

9 **(I) FROM 10 A.M. TO 6 P.M., FOR CONSUMPTION OF BEER**
10 **AND SALES AND SERVICE OF FOOD AT THE LICENSED FARM; AND**

11 **(II) FROM 10 A.M. TO 10 P.M., FOR:**

- 12 1. **SAMPLING OF BEER;**
- 13 2. **CONSUMPTION OF BEER OFF THE LICENSED FARM**
14 **IF THE BEER IS PACKAGED IN SEALED OR RESEALABLE CONTAINERS, SUCH AS**
15 **GROWLERS; AND**
- 16 3. **GUESTS WHO ATTEND A PLANNED PROMOTION**
17 **EVENT OR OTHER ORGANIZED ACTIVITY AT THE LICENSED FARM.**

18 **(8) (I) EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS**
19 **PARAGRAPH, A CLASS 8 FARM BREWERY LICENSE ALLOWS THE LICENSEE TO**
20 **OPERATE 7 DAYS A WEEK.**

21 **(II) IN GARRETT COUNTY, A LICENSEE MAY OPEN ON**
22 **SUNDAYS TO ENGAGE IN THE ACTIVITIES LISTED IN PARAGRAPH (3) OF THIS**
23 **SUBSECTION ONLY IN AN ELECTION DISTRICT WHERE THE VOTERS, IN A**
24 **REFERENDUM AUTHORIZED BY LAW, HAVE APPROVED SUNDAY SALES AT A**
25 **FARM.**

26 **(9) EXCEPT AS PROVIDED UNDER SUBSECTION (D) OF THIS**
27 **SECTION, A LICENSEE MAY NOT SELL OR ALLOW TO BE CONSUMED AT THE**
28 **LOCATION OF THE FARM BREWERY ANY ALCOHOLIC BEVERAGE OTHER THAN**
29 **THE BEER PRODUCED BY THE LICENSEE UNDER THE AUTHORITY OF THIS**
30 **SECTION.**

1 **(10) NOTHING IN THIS SUBSECTION LIMITS THE APPLICATION OF**
2 **RELEVANT PROVISIONS OF TITLE 21 OF THE HEALTH – GENERAL ARTICLE, AND**
3 **REGULATIONS ADOPTED UNDER THAT TITLE, TO A LICENSEE.**

4 **(B) THE PLACE LISTED ON THE CLASS 8 FARM BREWERY LICENSE**
5 **SHALL BE IN COMPLIANCE WITH § 9–103 OF THIS ARTICLE.**

6 **(C) A LICENSEE MAY:**

7 **(1) STORE ON ITS LICENSED FARM, IN A SEGREGATED AREA**
8 **APPROVED BY THE COMPTROLLER, BEER PRODUCED AT THE LICENSED FARM**
9 **FOR SALE AND DELIVERY TO A WHOLESALER LICENSED IN THE STATE OR A**
10 **PERSON OUTSIDE OF THE STATE AUTHORIZED TO ACQUIRE THE BEER;**

11 **(2) BREW, BOTTLE, OR CONTRACT FOR NOT MORE THAN 15,000**
12 **BARRELS OF BEER EACH CALENDAR YEAR;**

13 **(3) CONTRACT WITH THE HOLDER OF A CLASS 5 BREWERY**
14 **LICENSE OR A CLASS 2 RECTIFYING LICENSE TO BREW AND BOTTLE BEER FROM**
15 **INGREDIENTS PRODUCED ON THE LICENSED FARM;**

16 **(4) IMPORT, EXPORT, AND TRANSPORT ITS BEER IN ACCORDANCE**
17 **WITH THIS SECTION; AND**

18 **(5) STORE BEER AT A WAREHOUSE FOR WHICH THE LICENSEE**
19 **HAS BEEN ISSUED AN INDIVIDUAL STORAGE PERMIT, FOR SALE AND DELIVERY**
20 **TO A WHOLESALER LICENSED IN THE STATE OR A PERSON OUTSIDE OF THE**
21 **STATE AUTHORIZED TO ACQUIRE THE BEER, OR SHIPMENT BACK TO THE**
22 **LICENSED FARM, IF:**

23 **(I) THE LICENSEE DOES NOT SERVE OR SELL BEER AT THE**
24 **WAREHOUSE; AND**

25 **(II) THE COMPTROLLER HAS FULL ACCESS AT ALL TIMES**
26 **TO THE WAREHOUSE TO ENFORCE THIS ARTICLE.**

27 **(D) (1) A LICENSEE MAY SPONSOR A MULTIBREWERY ACTIVITY AT**
28 **THE LICENSED FARM THAT:**

29 **(I) INCLUDES THE PRODUCTS OF OTHER BREWERIES; AND**

30 **(II) PROVIDES FOR THE SALE OF BEER BY THE GLASS FOR**
31 **CONSUMPTION ON THE PREMISES ONLY.**

1 **(2) IN A SEGREGATED AREA APPROVED BY THE COMPTROLLER**
2 **ON THE LICENSED FARM, A LICENSEE MAY STORE THE PRODUCTS OF OTHER**
3 **BREWERIES FOR THE MULTIBREWERY ACTIVITY.**

4 **(3) THE MULTIBREWERY ACTIVITY:**

5 **(I) MAY BE HELD FROM 10 A.M. TO 10 P.M. EACH DAY; AND**

6 **(II) MAY NOT EXCEED 3 CONSECUTIVE DAYS.**

7 **(E) (1) THE OFFICE OF THE COMPTROLLER MAY ISSUE A SPECIAL**
8 **BREWERY PROMOTIONAL EVENT PERMIT TO A LICENSEE.**

9 **(2) AT LEAST 15 DAYS BEFORE HOLDING A PLANNED**
10 **PROMOTIONAL EVENT, THE LICENSEE SHALL OBTAIN A PERMIT FROM THE**
11 **COMPTROLLER BY FILING A NOTICE OF THE PROMOTIONAL EVENT ON THE**
12 **FORM THAT THE COMPTROLLER PROVIDES.**

13 **(3) THE PERMIT AUTHORIZES THE LICENSEE TO CONDUCT AT**
14 **THE LICENSED FARM A PROMOTIONAL EVENT AT WHICH THE LICENSEE MAY:**

15 **(I) PROVIDE SAMPLES OF NOT MORE THAN 6 FLUID**
16 **OUNCES PER BRAND TO CONSUMERS; AND**

17 **(II) SELL BEER PRODUCED BY THE LICENSEE TO PERSONS**
18 **WHO PARTICIPATE IN THE EVENT.**

19 **(4) THE BEER AT THE EVENT SHALL BE SOLD BY THE GLASS AND**
20 **FOR CONSUMPTION ON THE PREMISES ONLY.**

21 **(5) THE LICENSEE MAY NOT BE ISSUED MORE THAN 12 PERMITS**
22 **IN A CALENDAR YEAR.**

23 **(6) A SINGLE PROMOTIONAL EVENT:**

24 **(I) MAY BE HELD FROM 10 A.M. TO 10 P.M. EACH DAY; AND**

25 **(II) MAY NOT EXCEED 3 CONSECUTIVE DAYS.**

26 **(7) THE PERMIT FEE IS \$25 PER EVENT.**

1 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
2 July 1, 2012.